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14 AUG 1961

MEMORANDUM FOR : Special Support Assistant
to the Deputy Director (Support)

SUBJECT : Constructive Cost of Direct Travel when Crossing
the North Atlantic Ocean by Air is Involved

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1. Paragraphs 8g(1)(b) [REDACTED] provide that effective 15 August 1961, first-class accommodations on jet aircraft are not allowable for that portion of the journey which crosses the North Atlantic Ocean, subject to certain exceptions. You have inquired relative to the application of this requirement as it affects the computation of constructive costs when travel is undertaken by other than the direct usually traveled route.

2. The constructive cost principle is applied in those cases when the traveler elects to go by other than the direct usually traveled route for personal reasons, whereby he is allowed not to exceed the travel costs which he would have incurred had he gone by the direct usually traveled route between the points specified on the travel order. More plainly stated, the traveler will be paid no more than he would have been allowed had he gone the way he was supposed to go. In computing the cost of travel which may be allowed for the indirect route, comparison is made by travel expense categories, i.e., per diem against per diem, transportation against transportation, and incidentals against incidentals.

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3. Paragraphs 8e [REDACTED] contain the foregoing provisions and further specify the basis for developing constructive costs when:

a. One mode is used for the indirect trip:

- (1) If the mode used was authorized in the travel order and was available for the direct route, the cost of travel by such direct route shall be applied constructively.
- (2) If the mode used was not authorized in the travel order nor available for the direct route, the cost of travel by the most expensive mode authorized in the travel order and available on the direct route shall be applied constructively.

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b. More than one mode is used for the indirect trip:

- (1) Cost of travel via the direct route using the most expensive mode authorized in the travel order and used shall be applied constructively.
- (2) If the modes used were not authorized in the travel order, the most expensive mode authorized and available for the direct route shall be applied constructively.

4. In determining the direct usually traveled route between overseas points and headquarters, Rangoon is generally the farthest point east for direct travel across the Atlantic Ocean, and Bangkok is generally the farthest point west for direct travel across the Pacific Ocean. Unless travel orders specify otherwise, the usually traveled route will be in accordance with the foregoing points. Accordingly, indirect routes to or from headquarters and points east of Bangkok are not affected by the requirement for the use of jet economy flights across the North Atlantic Ocean.

5. The following examples illustrate the application of the requirements stated in paragraph 3, a(1) and (2) and b(1) and (2) above:

- a.(1) Air travel is undertaken from Istanbul to headquarters via an indirect route. The travel order authorizes first-class air travel, with jet economy across the North Atlantic. Air travel is used for the entire indirect trip. Irrespective of whether the indirect trip crosses the Atlantic or the Pacific Ocean, constructive cost of direct travel is computed thus:

| | |
|---|--------------|
| First-class air fare Istanbul to last point in Europe, e.g., London | \$ 222.50 |
| Jet economy London to New York | 284.90 |
| First-class air fare New York to Washington | <u>17.40</u> |
| Transportation | 524.80 |
| Per diem allowance: | |
| 1½ days @ \$6.00 | \$ 9.00 |
| ¼ day @ \$12.00 | <u>3.00</u> |
| | 12.00 |
| Incidentals, taxi, baggage, etc. | <u>35.00</u> |
| Constructive cost | \$ 571.80 |

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If the travel order authorized first-class jet for segments of the journey where such service was available, which would include crossing the North Atlantic, the fare London to New York would be \$517.40 in lieu of \$284.90 shown above for economy jet.

- a.(2) Assuming the travel order authorized air travel only, which would involve jet economy across the North Atlantic in the absence of specific authorization to use first-class jet, and the traveler used surface transportation via an indirect route for the entire journey, constructive cost would be the same as stated in a(1) above.
- b.(1) Assuming the travel order authorized air, with jet economy across the North Atlantic Ocean, or surface travel, and the traveler uses an indirect route by privately owned vehicle, air, ship and rail. The constructive cost of direct travel must be computed by the most expensive mode used and available direct. This might be air travel at a total cost of \$571.80, or if the three categories of expense (transportation, per diem, and incidentals) for transportation to a port of embarkation where a ship can be boarded for the direct usually traveled route to New York and surface travel New York to Washington, exceed \$571.80, the higher cost shall apply.
- b.(2) When the travel order authorized air travel only, which would require jet economy across the North Atlantic, and the traveler elected to go via an indirect route using rail and ship, the constructive cost for the indirect trip would be limited to the computation based on air travel for the direct route as stated in a(1) above.

6. In determining the amount due the traveler, the actual expenses of the indirect travel, by travel expense categories, is compared with the constructive costs of direct travel, by categories, and the lesser amounts are those to which the traveler is entitled.

7. Unless first-class jet accommodations across the North Atlantic are specifically authorized in the travel order, jet economy accommodations apply to all flights from the last point of take-off before crossing the North Atlantic to the initial landing point after completing the crossing.

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8. When indirect air travel for personal convenience is undertaken and excess baggage has been specifically authorized in the travel order, the constructive cost to be allowed for transporting excess baggage shall not exceed the cost which would have been incurred had travel been performed via the most direct usually traveled route.

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9. Personnel electing to travel via an indirect route are bound by the provisions of paragraphs [REDACTED] Use of American Ships, and paragraphs 8g(1)(a) governing the use of U. S. airlines.

10. To summarize: when crossing the North Atlantic Ocean by air is included in computing constructive cost of direct travel by employees, jet economy fare shall be used from the last point of take-off before crossing, to the initial landing point after crossing, unless the travel order authorizes first-class jet for such segment of the journey. Also, for travel from points east of Rangoon for which crossing the North Atlantic is not a part of the direct route of travel to headquarters, jet economy travel across the North Atlantic does not apply to the computation of constructive cost of direct travel.

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[REDACTED]
E. R. SAUNDERS
Comptroller

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ASSA-DD/S
Room 2127
I Building

17 AUG 1961

Chief, CA/Support
1414, K

Also to: Chief, CI/Support
Chief, FI/Support
25X1A8a Chief, RID/ADM

CCS
Chief, AF/Support
Chief, EE/Support
Chief, FE/Support
Chief, IO/Support
Chief, NE/Support
Chief, SR/Support
Chief, WE/Support
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Chief, DPD/ADM
Chief, TSD/Support

Chief, OC/Admin (on 21 Aug 61)

Attached for your information and file is a copy of a memorandum from the Comptroller, dated 14 August 1961, subject: Constructive Cost of Direct Travel when Crossing the North Atlantic Ocean by Air is Involved.

Assistant SSA-DD/S

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Attachment
As stated above.

ASSA-DD/S:FPB/ms (17 August 61)

Distribution:

- 1 - Each Addressee listed above.
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ROUTING AND RECORD SHEET

SSA 4-8936

SUBJECT: (Optional)

Constructive Cost of Direct Travel when Crossing the North Atlantic Ocean
by Air is InvolvedFROM: Technical Accounting Staff
Office of the Comptroller
1705 Alcott Hall X8786

NO.

DATE

TO: (Officer designation, room number, and
building)

DATE

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OFFICER'S
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